

AMENDED IN SENATE JUNE 10, 2008

Senate Constitutional Amendment

No. 24

Introduced by Senator Dutton
(Coauthor: Senator Alquist)

April 1, 2008

Senate Constitutional Amendment No. 24—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending subdivision (a) of Section 2 of Article XIII A thereof, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SCA 24, as amended, Dutton. Property taxation: base year value transfers.

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975–76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. The California Constitution authorizes the Legislature to provide that a severely disabled person and a person over 55 years of age may transfer the base year value, as defined, of property that is eligible for the homeowners' property tax exemption to a replacement dwelling that is of equal or lesser value located within the same county as the property from which the base year value is transferred and the replacement dwelling is purchased or newly constructed within 2 years of the sale of the original property, subject to certain conditions.

This measure would extend the period of time during which a severely disabled person or a person over 55 years of age has to purchase or

construct a replacement dwelling from 2 years to 3 years of the sale of the original property. This measure would also authorize the Legislature to provide for the transfer of base year value to a replacement dwelling that is of greater value, and would require the base year value of the replacement dwelling to be calculated by adding the difference between the full cash value of the original property and the full cash value of the replacement dwelling to the base year value of the original property.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

1 *Resolved by the Senate, the Assembly concurring,* That the
2 Legislature of the State of California at its 2007–08 Regular
3 Session commencing on the fourth day of December 2006,
4 two-thirds of the membership of each house concurring, hereby
5 proposes to the people of the State of California, that the
6 Constitution of the State be amended as follows:

7 First—That subdivision (a) of Section 2 of Article XIII A thereof
8 is amended to read:

9 ~~Sec. 2.~~

10 *SEC. 2.* (a) (1) The “full cash value” means the county
11 assessor’s valuation of real property as shown on the 1975–76 tax
12 bill under “full cash value” or, thereafter, the appraised value of
13 real property when purchased, newly constructed, or a change in
14 ownership has occurred after the 1975 assessment. All real property
15 not already assessed up to the 1975–76 full cash value may be
16 reassessed to reflect that valuation. For purposes of this section,
17 “newly constructed” does not include real property that is
18 reconstructed after a disaster, as declared by the Governor, where
19 the fair market value of the real property, as reconstructed, is
20 comparable to its fair market value prior to the disaster. Also, the
21 term “newly constructed” does not include the portion of
22 reconstruction or improvement to a structure, constructed of
23 unreinforced masonry bearing wall construction, necessary to
24 comply with any local ordinance relating to seismic safety during
25 the first 15 years following that reconstruction or improvement.

26 (2) However, the Legislature may provide that, under appropriate
27 circumstances and pursuant to definitions and procedures
28 established by the Legislature, any person over the age of 55 years
29 who resides in property that is eligible for the homeowner’s
30 exemption under subdivision (k) of Section 3 of Article XIII and

1 any implementing legislation may transfer the base year value of
2 the property entitled to exemption, with the adjustments authorized
3 by subdivision (b), in both of the following circumstances:

4 (A) To any replacement dwelling of equal or lesser value located
5 within the same county and purchased or newly constructed by
6 that person as his or her principal residence within three years of
7 the sale of the original property.

8 (B) To any replacement dwelling of greater value located within
9 the same county and purchased or newly constructed by that person
10 as his or her principal residence within three years of the sale of
11 the original property. The base year value of the replacement
12 dwelling shall be calculated by adding the difference between the
13 full cash value of the original property and the full cash value of
14 the replacement dwelling to the base year value of the original
15 property.

16 (3) For purposes of this section, “any person over the age of 55
17 years” includes a married couple one member of which is over the
18 age of 55 years. For purposes of this section, “replacement
19 dwelling” means a building, structure, or other shelter constituting
20 a place of abode, whether real property or personal property, and
21 any land on which it may be situated. For purposes of this section,
22 a two-dwelling unit shall be considered as two separate
23 single-family dwellings. This paragraph shall apply to any
24 replacement dwelling that was purchased or newly constructed on
25 or after November 5, 1986.

26 (4) In addition, the Legislature may authorize each county board
27 of supervisors, after consultation with the local affected agencies
28 within the county’s boundaries, to adopt an ordinance making the
29 provisions of this subdivision relating to transfer of base year value
30 also applicable to situations in which the replacement dwellings
31 are located in that county and the original properties are located
32 in another county within this State. For purposes of this paragraph,
33 “local affected agency” means any city, special district, school
34 district, or community college district that receives an annual
35 property tax revenue allocation. This paragraph shall apply to any
36 replacement dwelling that was purchased or newly constructed on
37 or after the date the county adopted the provisions of this
38 subdivision relating to transfer of base year value, but shall not
39 apply to any replacement dwelling that was purchased or newly
40 constructed before November 9, 1988.

1 (5) The Legislature may extend the provisions of this subdivision
2 relating to the transfer of base year values from original properties
3 to replacement dwellings of homeowners over the age of 55 years
4 to severely disabled homeowners, but only with respect to those
5 replacement dwellings purchased or newly constructed on or after
6 the effective date of this paragraph.

7 Second—That the amendments made by this measure shall be
8 operative commencing with the lien date for the 2009–10 fiscal
9 year.